

Message Text

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C O N F I D E N T I A L PANAMA 6403

EXDIS

FOR AMBASSADOR BUNKER AND ASSISTANT SECRETARY ROGERS
FROM AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, PN

SUBJECT: UNILATERAL ACTIONS

1. GOVERNOR PARFITSS AND I HAD DINNER WITH GABRIEL LEWIS AND JAIME ARIAS, BOTH CONFIDANTS OF GENERAL TORRIJOS, AND THEN ENGAGED IN LONG PRIVATE WORKING SESSION. LEWIS OPENED SESSION WITH DETAILED DESCRIPTION OF WHAT TORRIJOS AND HIS INTIMATE CONFIDANTS SAW AS PRESENT STATE OF PLAY. THEY HAVE ACCEPTED FACT THAT FINAL TREATY IS FAR DOWN THE ROAD (END OF 1976). THIS FACT PUTS TORRIJOS AND HIS GOVERNMENT UNDER HEAVY AND INCREASING PRESSURE, ESPECIALLY FROM LEFT-WING EXTREMISTS WHO WISH TO SEE, AND PROMOTE, A DETERIORATION IN U.S.-PANAMA RELATIONS.

2. LEWIS SAID TORRIJOS BELIEVES THAT ONLY WAY HE CAN MANAGE THIS PROBLEM IS FOR NEGOTIATORS TO BE WORKING HARD AND MAKING MORE PROGRESS THAN IN RECENT PAST. MEANTIME, HE NEEDS CONCRETE EVIDENCE OF GOODWILL AND U.S. INTENTION TO MOVE IN DIRECTION OF HELPING PANAMA SOLVE SOME OF ITS MORE PRESSING PROBLEMS AND PROVIDING TANGIBLE EVIDENCE THAT WE TRULY SEEK A NEW RELATIONSHIP OF COOPERATION.

3. LEWIS THEN SET FORTH A LIST OF THOSE THINGS THAT TORRIJOS BELIEVES WOULD BE MOST HELPFUL AND USEFUL OVER NEXT MONTHS. HE MADE IT CLEAR THAT FASTER WE COULD MOVE ON THESE THINGS THE
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BETTER IT WOULD BE AND THE MORE IT WOULD ENABLE PANAMA GOVERNMENT

TO CONVINCE PUBLIC THAT YANKEES SERIOUS ABOUT BUILDING A NEW
ATMOSPHERE IN OUR RELATIONS. ITEMS SPECIFIED BY LEWIS WERE:

(A) USE BY PANAMA OF THE AIRPORT AT NEW FRANCE FIELD FOR COMMERCIAL
FLIGHTS. (I REFERRED TO EARLIER AGREEMENT ON NEW FRANCE PROPOSED
BY U.S. IN 1973. LEWIS AND ARIAS WERE FAMILIAR WITH IT AND THOUGHT
IT WOULD SOLVE PROBLEM WITH IMPORTANT ADDITION OF RIGHT TO USE FIELD
FOR AIR CARGO FLIGHTS TO AND FROM POINTS OUTSIDE PANAMA WELL
AS FOR INTERNAL TRAFFIC ACROSS ISTHMUS.)

(B) USE BY PANAMA OF OLD SEAPLANE RAMPS AT COCO SOLS. (I NOTED
THAT WE HAD BEEN WORKING ON THIS AND WERE READY TO GO AHEAD
WITH AGREEMENT. THEY ASKED ABOUT POSSIBILITY OF ERECTING SOME
KIND OF WAREHOUSE OR STORAGE BUILDING IN RAMPS AREA WHERE
SUPPLIES FOR BOCAS DEL TORO COULD BE ASSEMBLED FOR SHIPMENT
BETWEEN TRIP OF PANAMANIAN LCM THAT WILL USE RAMPS. WE SAID WE
WOULD HAVE TO LOOK INTO THAT. I MENTIONED POSSIBILITY OF USING
PART OF OLD HANGAR ON OLD FRANCE FIELD NEARBY WHICH HAS NOT YET
BEEN COMPLETELY DEMOLISHED AND WE ARE CHECKING THIS OUT.

(C) NEGOTIATIONS FOR THE USE OF THE DRY DOCK IN BALBOA. (PANAMA SEES
REVIVAL OF DRY DOCK OPERATIONS UNDER PANAMANIAN MANAGEMENT
AS WAY TO PUT 500 OR 600 PANAMANIANS TO WORK. GOVERNOR RAISED
PROBLEM OF REQUIREMENT THAT COMMERCIAL FACILITIES IN ZONE ABIDE BY
U.S. MINIMUM WAGE AND OTHER REGULATIONS. PANAMANIAN ARGUMENT WAS
THAT PRECISELY THIS KIND OF RESTRICTION MAKES IT DIFFICULT FOR
THEM TO ACCEPT VIEW THAT WE SERIOUS WHEN WE SAY WE WANT TO HELP
PANAMA.)

(D) POSSIBLE RELOCATING OF PANAMA'S PROPOSED FISHING PORT SOMEWHERE
IN CANAL ZONE WHERE UNUSED FACILITIES EXIST. (PANAMANIANS BELIEVE
THIS ACTION RATHER THAN BUILDING FISHING PORT IN VERA CRUZ STARTING
FROM SCRATCH COULD SAVE THEM SOME \$40 MILLION. THEY MENTIONED
POSSIBLE LOCATION AT SITE WHERE THIRD
LOCKS WERE BEGUN BUT NEVER FINISHED. GOVERNOR SAID THIS WAS SENSITIVE
POINT WITH CONGRESSMAN FLOOD AND OTHERS WHO FAVOR CANAL EXPANSION.
I ARGUED IT WAS WORTH LOOKING INTO. IT WAS CLEAR THAT MOVEMENT ALONG
ANY OF THE LINES PROPOSED WOULD PRODUCE SOME CONGRESSIONAL FLAK.)

(E) USE BY PANAMA OF PIER 20 IN BALBOA--ESPECIALLY FOR LOADING
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OF CARGO FOR GOVERNMENT-OWNED RESORT PROJECT AT CONTADORA. (PANA-
MANIANS ARGUED THIS WAS IMPORTANT ESPECIALLY OVER NEXT SIX MONTHS
WHEN MAJOR CONSTRUCTION OF HOTEL AND OTHER FACILITIES WAS
GOING ON. CLEARLY PIER 20 WOULD MAKE LOADING AND TRANSPORT
CONSIDERABLY EASIER. GOVERNOR MADE POINT THAT IT WOULD BE EASIER TO
MANAGE IF VESSEL OR VESSELS INVOLVED WERE OPERATED BY NATIONAL
GUARD RATHER THAN COMMERCIAL OPERATORS. PANAMANIANS NOTED THAT
OPERATORS WOULD BE GOVERNMENT EMPLOYEES PAID BY GOVERNMENT EVEN IF

CIVILIANS RATHER THAN MILITARY.)

(F) INFORMATION CONCERNING EXISTING OIL PIPELINES RUNNING ACROSS AND THROUGH THE ZONE. (PANAMANIAN BELIEVE THAT IF THEY COULD USE ONE OR MORE OF EXISTING PIPELINES IT WOULD SAVE THEM SIGNIFICANT MONEY IN TRANSPORT OF FUEL FROM REFINERY ON ATLANTIC SIDE TO PANAMA CITY--AND ALSO REDUCE SEVERE WEAR-AND-TEAR ON CROSS-ISTHMIAN HIGHWAY WHICH HEAVY TRUCKS NOW LITERALLY RIP APART BECAUSE OF EXCESSIVE LOADS. WE NOTED THERE WERE FOUR SUCH PIPELINES IN EXISTENCE AND THAT THEY WERE UNDER-UTILIZED. WE WOULD CHECK INTO POSSIBLE LEASE ARRANGEMENT.)

(G) PERMISSION FOR IRHE TO PUT HIGH TENSION LINE ACROSS AREA BETWEEN CHILIBRE AND CALZADA LARGA, AND AREA WHOSE STATUS IS IN QUESTION--I.E. WHETHER IT IS PART OF ZONE OR OF PANAMA. (I EXPRESSED VIEW THAT THIS SHOULD BE EASY MATTER TO HANDLE.)

(H) POSSIBLE ROCK OR CORAL FILL OF THE AREA BETWEEN THE FREE ZONE IN COLON AND OLD FRANCE FIELD. (PANAMA WANTS TO BUILD A LAND BRIDGE BETWEEN THE TWO AREAS RATHER THAN ERECTING A BRIDGE. FILL MATERIAL WOULD HAVE TO COME FROM BOTTOM OF WATERS NOW TECHNICALLY PART OF CANAL ZONE.)

4. GOVERNOR AND I PROMISED TO LOOK INTO EACH OF THE ABOVE PROPOSALS WITH A VIEW TO DOING SOME OR ALL IF POSSIBLE AND MOVING ON THE EASIEST ONES PROMPTLY. GOVERNOR STRESSED POINT THAT IN MOVING ON SOME OF THESE MATTERS, WE HAD TO CONSIDER LEGAL RESTRICTIONS AS WELL AS CONGRESSIONAL OPINION. THIS, IN TURN, INTRODUCED QUESTION OF EFFECT ON CONGRESSIONAL CLIMATE TOWARD THE TREATY ITSELF. THERE WAS SOME RISK THAT IN PUSHING INTERIM ACTIONS WE MIGHT JEOPARDIZE LARGER GOAL OF GETTING APPROVAL FOR TREATY. PANAMANIAN TOOK VIEW THAT IN STRESSING PROBLEMS RATHER THAN OPPORTUNITIES WE WERE BEING TOO NEGATIVE. WHAT WAS NEEDED, CONFIDENTIAL

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THEY SAID, WAS IMAGINATION AND COURAGE AND WILLINGNESS TO MOVE FORWARD. IF WE HAD TO THINK OF WHAT CONGRESSMAN FLOOD THOUGHT ON SUCH MATTERS WE WOULD NEVER DO ANYTHING.

5. IT IS CLEAR TO ME IN AFTERMATH OF ABOVE SESSION THAT TORRIJOS AND HIS COLLEAGUES PLACE HIGH PRIORITY ON ITEMS ENUMERATED--BOTH IN AND OF THEMSELVES AS WELL AS A TEST OF REAL U.S. INTENTIONS. I BELIEVE IT IS INCUMBENT ON US TO LOOK HARD AT EACH ONE AND MOVE AHEAD AS QUICKLY AND POSITIVELY AS POSSIBLE. WE CAN TALK ALL WE WANT ABOUT QUOTE NEW RELATIONSHIPS UNQUOTE BUT UNTIL THAT GOAL STOPS BEING PIE IN THE SKY AND BEGINS TO TAKE REAL SHAPE, IT IS MERELY RHETORIC--AND THE PANAMANIAN KNOW IT.

6. WE WILL BE INVESTIGATING ALL OF THE ABOVE PROPOSALS WITH A VIEW TO BEING AS FORTHCOMING AS POSSIBLE. WE HAVE ALREADY PROVIDED

GUARDIA NACIONAL WITH PROPOSED AGREEMENT TO TAKE CARE OF 3(B). OTHERS

,
ESPECIALLY 3(A) AND 3(G) SHOULD BE FAIRLY SIMPLE. OTHERS INVOLVE
MORE COMPLICATIONS. WE WILL BE KEEPING DEPARTMENT
ADVISED OF OUR FINDINGS AND RECOMMENDATIONS. HOPE THOSE CONCERNED
THERE WILL BE DOING THE SAME AND GIVING US THEIR ADVICE.
WE FULLY RECOGNIZE THE PROBLEMS, OBSTACLES AND COMPLICATIONS. BUT
FACT MUST BE BORNE IN MIND THAT WITHOUT ACTIONS OF THE KIND PROPOSED
GOP IS GOING TO FIND IT NOT JUST DIFFICULT BUT IMPOSSIBLE
TO MAINTAIN FAVORABLE ATMOSPHERE HERE FOR OUR LARGER OBJECTIVE-- A
NEW AND FAIR TREATY.
JORDEN

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